

**261—23.4(15) Allocation of funds.** IDED shall distribute CDBG funds as follows:

**23.4(1) Administration.** Two percent of total program funds including program income plus \$100,000 shall be used for state administration.

**23.4(2) Technical assistance.** One percent of the funds shall be used for the provision of substantive technical assistance to recipients.

**23.4(3) Housing fund.** Twenty-five percent of the funds shall be reserved for a housing fund to be used to improve the supply of affordable housing for LMI persons.

**23.4(4) Job creation, retention and enhancement fund.** Twenty percent of the funds shall be reserved for a job creation, retention and enhancement fund to be for workforce development and to expand economic opportunities and job training for LMI persons. Job creation, retention and enhancement funds are awarded through three programs: the economic development set-aside (EDSA), the public facilities set-aside (PFSA), and career link.

**23.4(5) Contingency funds.** IDED reserves the right to allocate up to 5 percent of funds for projects dedicated to addressing threats to public health and safety and for bold possibilities.

**23.4(6) Competitive program.** The remaining funds shall be available on a competitive basis through the water and sewer fund and community facilities and services fund. Of the remaining amount, 70 percent shall be reserved for the water and sewer fund, 15 percent shall be reserved for the community facilities and services fund and 15 percent shall be allocated to either the water and sewer fund or community facilities and services fund at the discretion of the director, based on requests for funds.

**23.4(7) Reallocation.** Any reserved funds not used for their specified purpose within the program year shall be reallocated in amounts and to funds as approved by the director to ensure the availability of resources to those funds in which the greatest need is demonstrated to exist or to respond to community or business needs.

**23.4(8) Recaptured funds.** Recaptured funds shall be returned to the competitive program for use through the water and sewer fund and community facilities and services fund. As approved by the director, recaptured funds may be used to fund projects from the job creation, retention and enhancement fund or housing fund in order to respond to an immediate community or business need. Recaptured funds remaining at the end of a program year shall be reallocated in amounts and to funds as approved by the director to ensure the availability of resources to those funds in which the greatest need is demonstrated to exist or to respond to a community or business need.